

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 91-450-C - ORDER NO. 91-1000 ✓  
NOVEMBER 20, 1991

IN RE: Application of CTG Telecommunications, ) ORDER  
Inc. for a Certificate of Public ) GRANTING  
Convenience and Necessity. ) CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of CTG Telecommunications, Inc. (CTG) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. CTG's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed CTG to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of CTG's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. CTG complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph Company (Southern Bell) and the

South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on Tuesday, October 15, 1991, at 11:00 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. Frank R. Ellerbe, III, Esquire, represented CTG. Carl F. McIntosh, Esquire, represented the Consumer Advocate; Fred A. Walters, Esquire, and Caroline N. Watson, Esquire, represented Southern Bell; and Marsha A. Ward, General Counsel, represented the Commission Staff.

CTG presented the testimony of G. Kelley Allen in support of its application. Mr. Allen explained CTG's request for certification to operate as a reseller of interexchange telecommunications services in South Carolina. Allen explained that the Company wished to resell the toll services of AT&T, MCI and U.S. Sprint. AT&T's SDN services will be a significant part of CTG's business plan. CTG does not propose to provide intraLATA service. CTG proposes to provide MTS services, dedicated access services, 800 services and calling card services. Residential service is not a target market but such will be provided if requested. CTG will be responsible for billing, trouble reporting, and customer services. Allen outlined CTG's financial qualifications, background, and technical capabilities. Mr. Allen explained that CTG intends to comply with the Commission's Compensation Order, Order No. 86-793, issued in Docket No. 86-187-C.

Southern Bell presented the testimony of C.L. Addis. Addis

testified that Southern Bell opposes the resale of AT&T's Software Defined Network (SDN) services to South Carolina customers, though it does not oppose the granting of a reseller certificate, consistent with past Commission Orders. Addis stated that he did not believe that the blocking or screening of intraLATA calls could be done by AT&T in SDN services. Therefore, Southern Bell should be compensated by CTG when CTG functions as a reseller, for the unauthorized completion of any intraLATA calls over facilities other than those approved for resale, as ordered by the Commission in Docket No. 86-187-C, Order No. 86-793, issued August 5, 1986.

After full consideration of the applicable law and of the evidence presented by CTG, the Consumer Advocate, Southern Bell and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

#### FINDINGS OF FACT

1. CTG is incorporated under the laws of the State of Washington, but is licensed to do business as a foreign corporation in South Carolina by the Secretary of State.

2. CTG operates as a non-facilities based reseller of interexchange services, and wishes to do so on an interLATA basis in South Carolina.

3. CTG has the experience, capability, and financial resources to provide the services as described in its application.

4. Southern Bell and other local exchange carriers (LEC's) should be compensated for any unauthorized intraLATA calls completed through CTG's service arrangements.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to CTG to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. That all intrastate intraLATA calls must be completed over intraLATA WATS, MTS, private and foreign exchange lines or any other service of facility based carriers approved for resale on an intraLATA basis. Any intraLATA calls not completed in this manner would be considered unauthorized traffic and the Company will be required to compensate LEC's for any unauthorized intraLATA calls it carries pursuant to Commission Order No. 86-793 in Docket No. 86-187-C.

3. The Commission adopts a rate design for CTG for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate level with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communication Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts CTG's proposed maximum rate tariffs.

4. CTG shall not adjust its rates below the approved maximum

level without notice to the Commission and to the public. CTG shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of CTG's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1990).

5. CTG shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

6. CTG is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to CTG's resale of services, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

8. CTG shall resell the services of only those interexchange carriers or LEC's authorized to do business in South Carolina by this Commission. If CTG changes underlying carriers, it shall notify the Commission in writing.

9. CTG shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports

is indicated on Attachment A.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)